Global Partnership on Output-based Aid Project Agreement
(Rural Electrification and Renewable Energy Development Project II)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
AND
INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as Administrator of the Global Partnership on Output-based Aid

and

INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

Dated APRIL 22, 2015
GPOBA GRANTS NUMBERS
TF019157-BD (PORTION A) AND
TF019156-BD (PORTION B)

PROJECT AGREEMENT

AGREEMENT dated APRIL 22, 2015, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND INTERNATIONAL DEVELOPMENT ASSOCIATION (collectively, “World Bank”), acting as administrator of the Global Partnership on Output-based Aid (“GPOBA”), and INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED (“IDCOL” or “Project Implementing Entity”) (“Project Agreement”) in connection with the GPOBA Grant Agreement (“Grant Agreement”) of the same date between the People’s Republic of Bangladesh (“Recipient”) and the World Bank. The World Bank and IDCOL hereby agree as follows:

ARTICLE I — STANDARD CONDITIONS; DEFINITIONS

1.01. The Standard Conditions (as defined in the Appendix to the Grant Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Grant Agreement or the Standard Conditions.

ARTICLE II — PROJECT

2.01. IDCOL declares its commitment to the objectives of the Project. To this end, IDCOL shall carry out the Project in accordance with the provisions of Article II of the Standard Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the World Bank shall otherwise agree, IDCOL shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. IDCOL’s Representative referred to in Section 7.02 of the Standard Conditions is its Executive Director and Chief Executive Officer.

3.02. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:
3.03. IDCOL's Address referred to in Section 7.01 of the Standard Conditions is:

UTC Building, (16th Floor)
8 Panthapath, Kawran Bazar
Dhaka 1215
Bangladesh

Facsimile:

(8802) 811 6663
AGREED at Dhaka, People's Republic of Bangladesh, as of the day and year first above written.

WORLD BANK acting as Administrator of the Global Partnership on Output-based Aid

By

[Signature]

Authorized Representative

Name: CHRISTINE KIMES

Title: ACTING HEAD OF BANGLADESH COUNTRY OFFICE FOR THE COUNTRY DIRECTOR

INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

By

[Signature]

Authorized Representative

Name: MAHMOOD MALIK

Title: CEO, IDLC
SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

IDCOL shall maintain, throughout the period of Project implementation: (a) existing structures responsible for the day-to-day implementation of Part A of the Project; and (b) a Project Management Unit responsible for the day-to-day implementation of Part B of the Project; all in a manner satisfactory to the World Bank.

B. Operating Guidelines and GAAP

1. IDCOL shall ensure that the Project is carried out in accordance with the provisions of the Operating Guidelines and the GAAP.

2. Except as the World Bank shall otherwise agree, IDCOL shall not amend or waive any provision of the Operating Guidelines and/or the GAAP, or any part thereof.

C. Anti-Corruption

1. IDCOL shall ensure and cause to ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

2. Without limitation on the provisions of paragraph 1 above, IDCOL shall: (a) carry out the GAAP in accordance with its terms; and (b) without limitation on its other reporting obligations under this Agreement, furnish to the Association as part of the Project Report the status of implementation of the said plan.

D. Sub-projects

1. (a) IDCOL shall ensure that, except as the World Bank shall otherwise agree, Sub-projects shall be promoted, identified, appraised, approved, carried out and monitored in accordance with the procedures and other provisions set forth or referred to in the Operating Guidelines, the GAAP, and the ESMF.

(b) IDCOL shall: (i) exclusively use the proceeds of the Grant for financing activities under the Project; and (ii) refund to the World Bank any refund/penalty related to the Output-based Sub-grants in a timely manner.
(c) Participating Organizations applying for Output-based Sub-grants provided under the Project shall meet relevant eligibility criteria set out in the Operating Guidelines and the ESMF with respect to the making of Output-based Sub-grants.

(c) IDCOL shall, not later than September 1 of each year, carry out an annual review to determine that Participating Organizations continue to be eligible for Output-based Sub-grants in accordance with the eligibility criteria set out in the Operating Guidelines, and, no later than September 30 of each year, furnish the results of such review to the World Bank.

2. IDCOL shall make each Output-based Sub-grant under a Participation Agreement with the respective Participating Organization on terms and conditions approved by the World Bank, which shall include the following:

(a) IDCOL shall obtain rights adequate to protect its interests and those of the Recipient and the World Bank, including the right to:

(i) suspend or terminate the right of the Participating Organization to use the proceeds of the Output-based Sub-grant, or obtain a refund of all or any part of the amount of the Output-based Sub-grant then withdrawn, upon the Participating Organization’s failure to perform any of its obligations under the Participation Agreement;

(ii) require each Participating Organization to:

(A) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Recipient;

(B) procure the goods, works and services to be financed out of the Output-based Sub-grant in accordance with the provisions of Section III of Schedule 2 to the Grant Agreement;

(C) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project; and
(2) at the Recipient’s or the World Bank’s or IDCOL’s request, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient, the World Bank and IDCOL;

(D) enable the Recipient, the World Bank and IDCOL, to inspect the Sub-project, its operation and any relevant records and documents; and

(E) prepare and furnish to the Recipient, the World Bank and IDCOL, all such information as the Recipient or the World Bank or IDCOL shall reasonably request relating to the foregoing.

(b) IDCOL shall exercise its rights under the Participation Agreement in such manner as to protect the interest of the Recipient, the World Bank and IDCOL and to accomplish the purposes of the Grant. Except as the Recipient and the World Bank shall otherwise agree, IDCOL shall not assign, amend, abrogate or waive the Participation Agreement or any of its provisions.

3. IDCOL shall:

(a) furnish to the World Bank, for its review and approval, appraisal reports of the first five (5) Sub-projects under each technology proposed to be financed under Part A.2 of the Project;

(b) maintain an independent third party engaged to perform an annual technical audit of the Sub-projects, under terms of reference satisfactory to the World Bank; and

(b) furnish to the World Bank the report of such audit not later than September 30 of each year until completion of the Project.

E. Safeguards

1. IDCOL shall carry out and cause each Participating Organization to carry out the Project in accordance with the ESMF and each relevant EMP and TPP.
2. Whenever an EMP or TPD shall be required for any Project activity in accordance with the provisions of the ESMF, IDCOL shall:

(a) prior to the commencement of such activity, proceed to have such EMP and TPP: (i) prepared in accordance with the provisions of the ESMF; (ii) furnished to the World Bank for review and approval; and (iii) thereafter adopted and disclosed as approved by the World Bank, in a manner acceptable to the World Bank; and

(b) thereafter take such measures as shall be necessary or appropriate to ensure compliance by the relevant Participating Organization, with the requirements of such EMP and TPP.

3. Without limitation on its other reporting obligations under this Agreement, IDCOL shall:

(a) engage an independent third party to perform an annual audit of environmental safeguards, under terms of reference satisfactory to the World Bank; such third party shall collect, compile consolidated reports on the status of compliance with the ESMF and each EMP and TPP, giving details of: (i) measures taken in furtherance of the said instruments; (ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the said measures; and (iii) remedial measures taken or required to be taken to address such conditions; and

(b) furnish to the World Bank the report on such audit not later than September 30 of each year until completion of the Project.

4. In the event of any conflict between the provisions of the ESMF or any EMP or TPP and the provisions of this Agreement and/or the provisions of the Grant Agreement, the provisions of the Grant Agreement shall prevail.

E. Donor Visibility and Visit

1. IDCOL shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the GPOBA donors’ support for the Project.

2. For the purposes of Section 2.09 of the Standard Conditions, IDCOL shall, upon the World Bank’s request, take all measures required on its part to enable the representatives of the GPOBA donors to visit any part of the Recipient's territory for purposes related to the Project.
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. IDCOL shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators acceptable to the World Bank. Each such Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

2. IDCOL shall provide to the Recipient not later than three (3) months from the Closing Date, for incorporation in the report referred to in paragraph 2 of Section II.A of Schedule 2 to the Grant Agreement all such information as the Recipient or the World Bank shall reasonably request for the purposes of such paragraph.

B. Financial Management, Financial Reports and Audits

1. IDCOL shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations and financial conditions of IDCOL, including the operations, resources and expenditures related to the Project, all in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. IDCOL shall have the IDCOL and Project’s financial statements referred to above audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, all in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of these financial statements shall cover the period of one (1) fiscal year of IDCOL. IDCOL shall ensure that the audited financial statements for each period are: (a) furnished to the Recipient and the World Bank not later than six (6) months after the end of each period; and (b) made publicly available in a timely fashion and in a manner acceptable to the World Bank.

Section III. Procurement

All goods, works and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the provisions of Section III of Schedule 2 of the Grant Agreement.